



Renewable Energy Transmission Initiative Phase 1B Resource Report Status Briefing

Black & Veatch

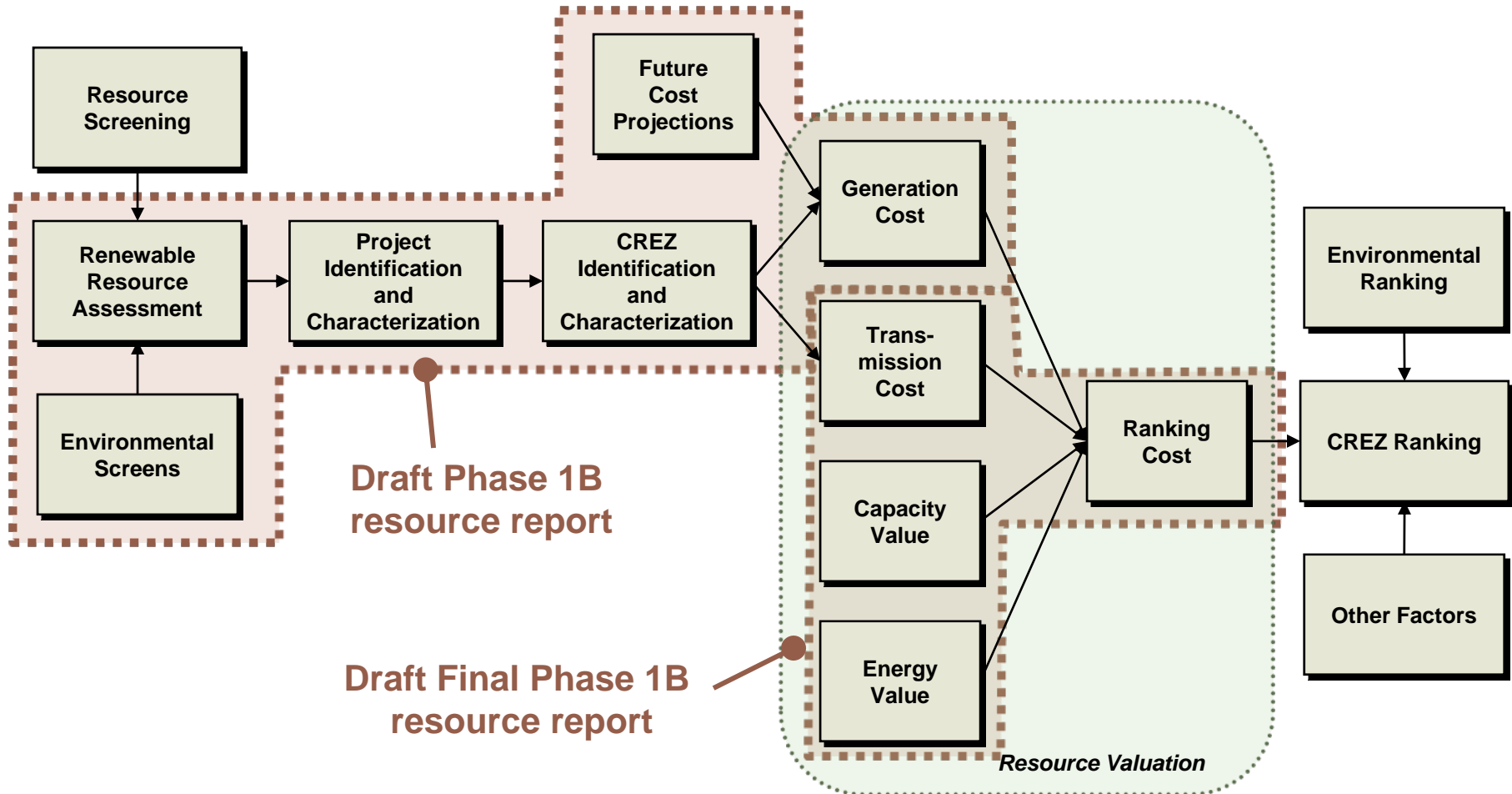
Stakeholder Steering Group

October 8, 2008

Agenda

- Overview of RETI Project Status
- Initial Project Screening
- Economic CREZ Ranking
- Sub-CREZ Development
- Uncertainty / Sensitivities
- Draft Consolidated Environmental and Economic Scores

Overview of RETI Phase 1B Process



Initial Project Screening Process

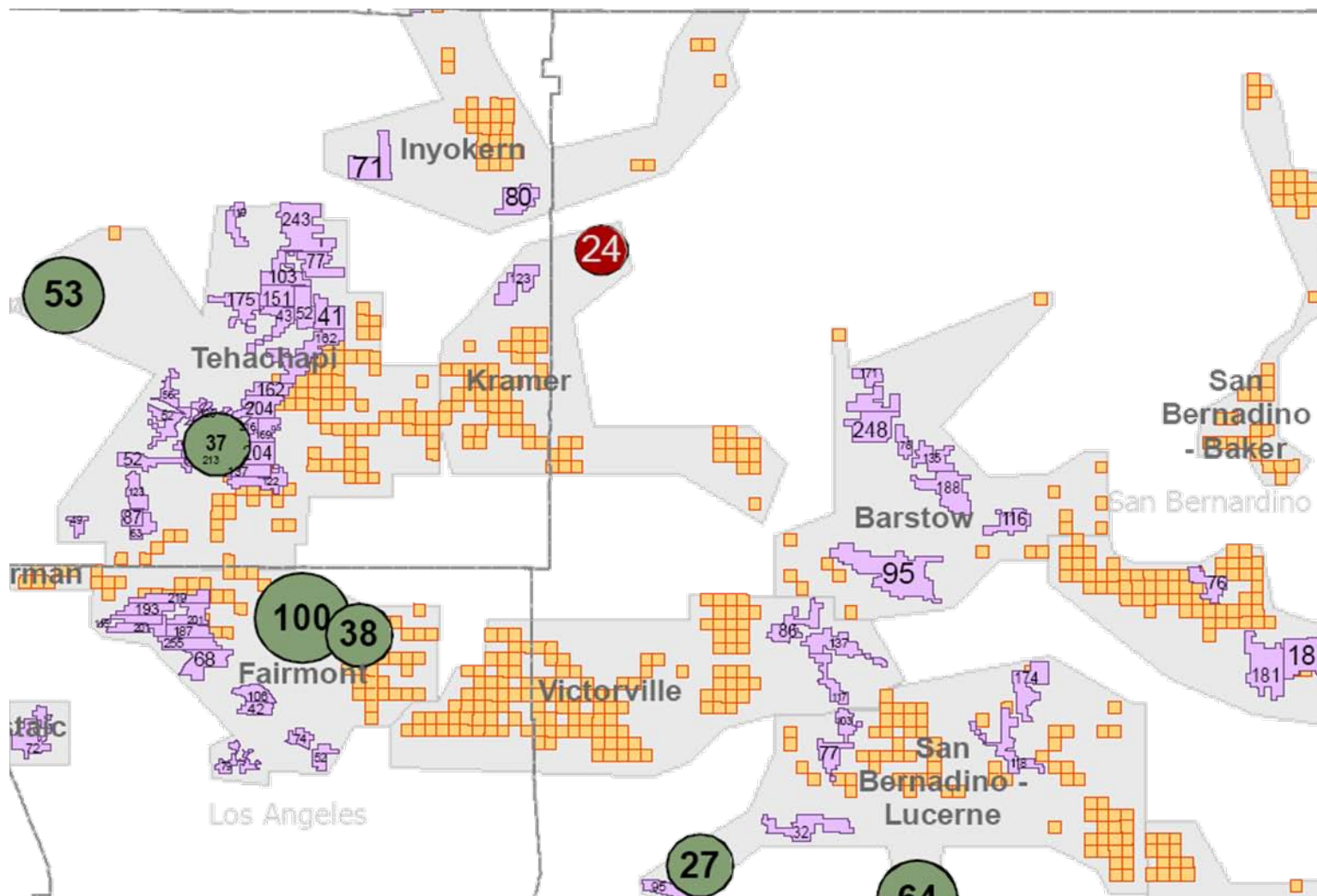
- Phase 1B Draft Report identified about 20 times the needed renewables (533,848 MW) in 58 CREZs
 - 47 in CA
 - 11 Out-of-state
- Initial assessment designed to eliminate resources least-likely to be developed
 - Solar thermal
 - Out-of-state

Initial Project Screening Process

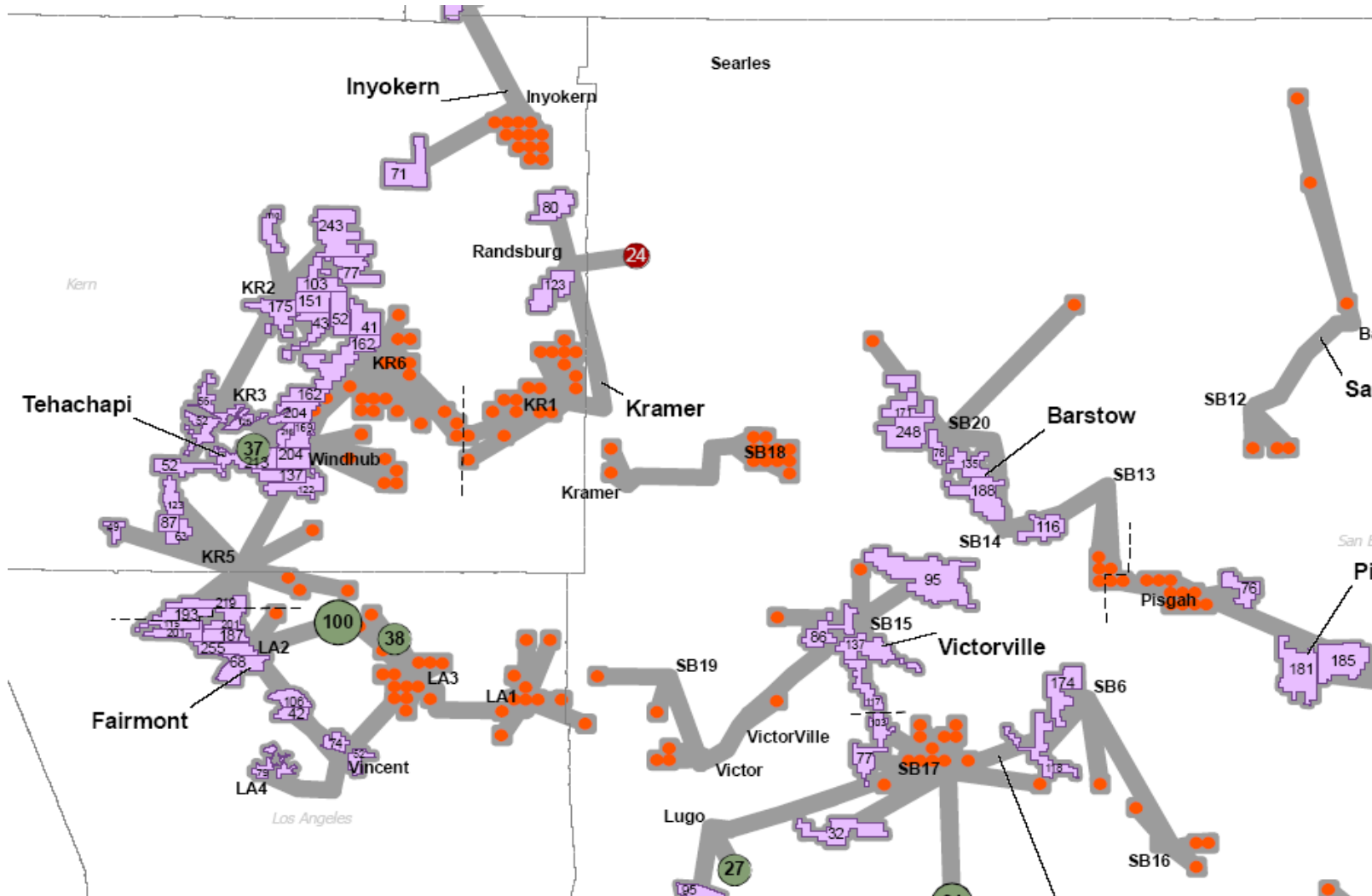
- Solar Thermal
 - Economic review eliminated least favorable projects in each CREZ
 - High-level developability assessment
- Out-of state-of projects limited based on import restrictions defined in Phase 1A
- “De-CREZ-ed” areas below 250 MW
- One isolated wind project also cut

Initial Project Screening Process - Example

Pre-Cut - 1785 Solar Thermal projects in CA (357,000 MW)



Post-Cut - 325 Solar Thermal Projects (65,000 MW)



CREZ Economic Ranking Calculation

Economic Ranking = Costs – Value

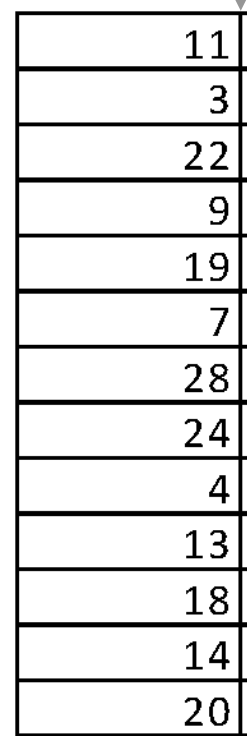
**Generation Cost
+ Transmission Cost**

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**Energy Value
+ Capacity Value**

Preliminary Average Rank Value (\$/MWh) by CREZ

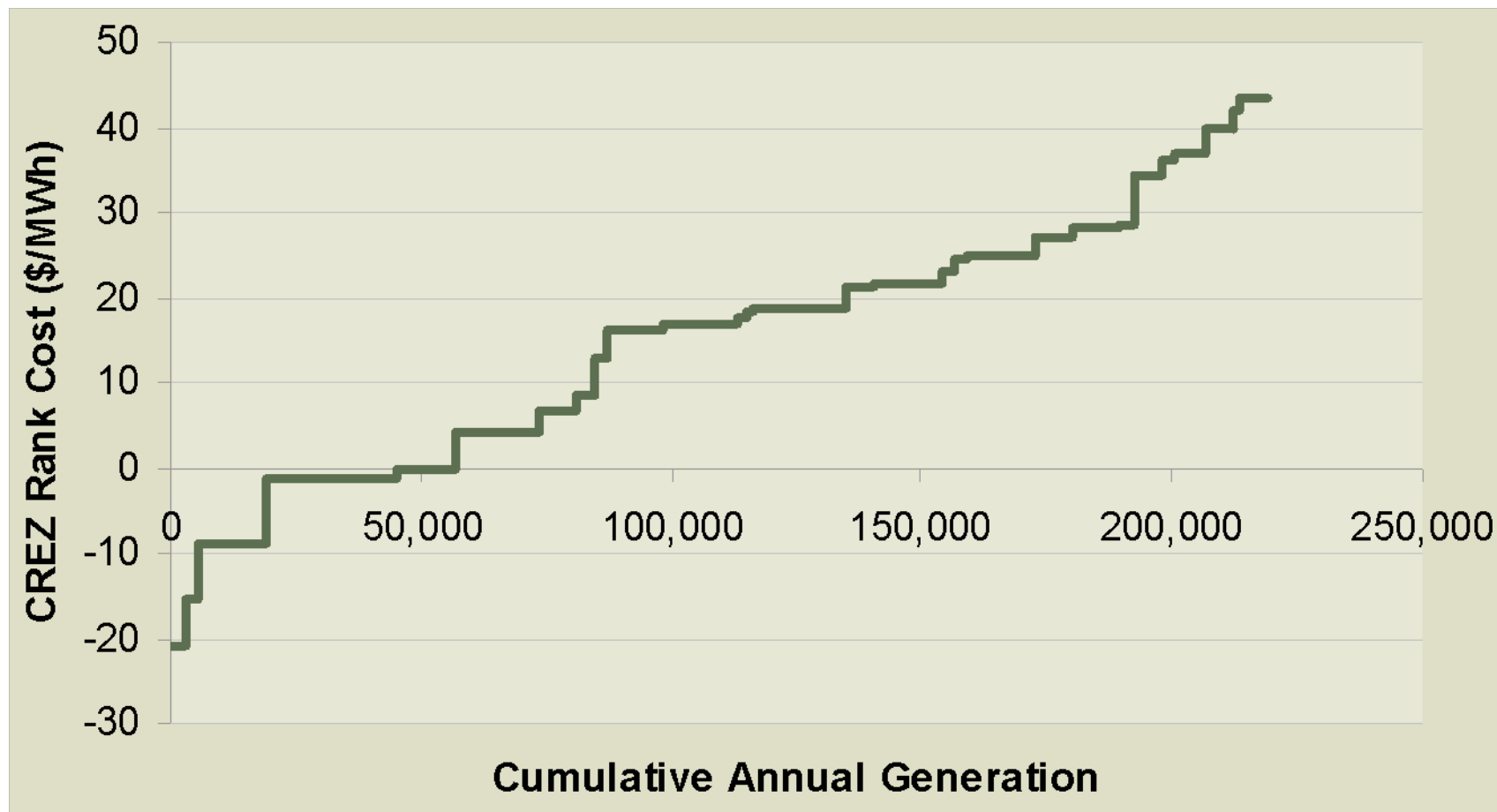
CREZ #	Rank Cost
27	-21
12	-15
23	-9
25	-1
16	0
26	4
29	7
8	9
21	13
1	16
17	17
2	18
10	18
6	19
5	21



11	22
3	23
22	25
9	25
19	27
7	28
28	29
24	34
4	34
13	36
18	37
14	40
20	42
15	43

PRELIMINARY – FOR EXAMPLE ONLY
NOT READY FOR REVIEW

Preliminary Indicative CREZ Supply Curve



PRELIMINARY – FOR EXAMPLE ONLY
NOT READY FOR REVIEW

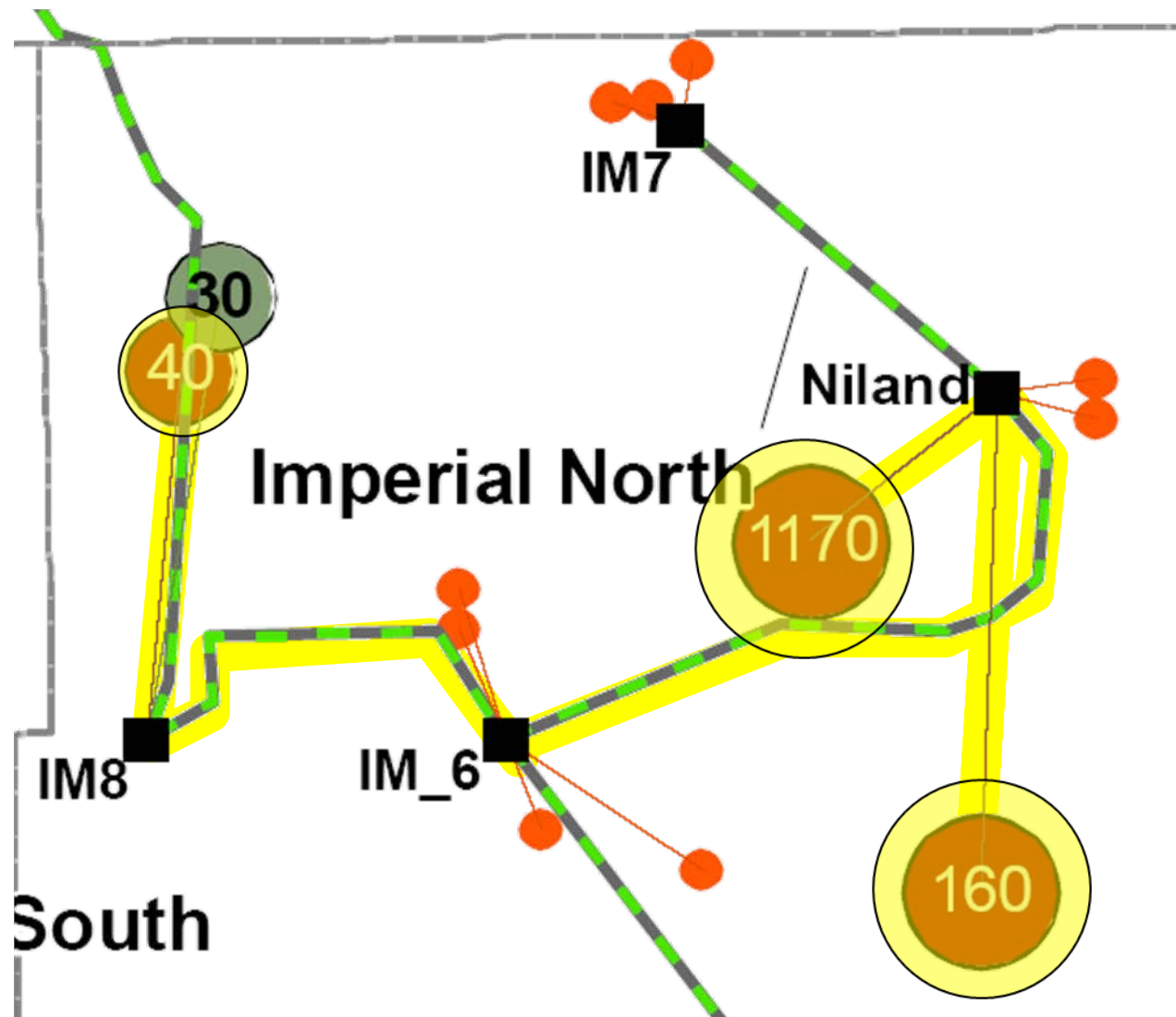
Rank Cost, \$/MWh

Avg > +25

**3 best projects
Avg < -10**

Generation, GWh/yr

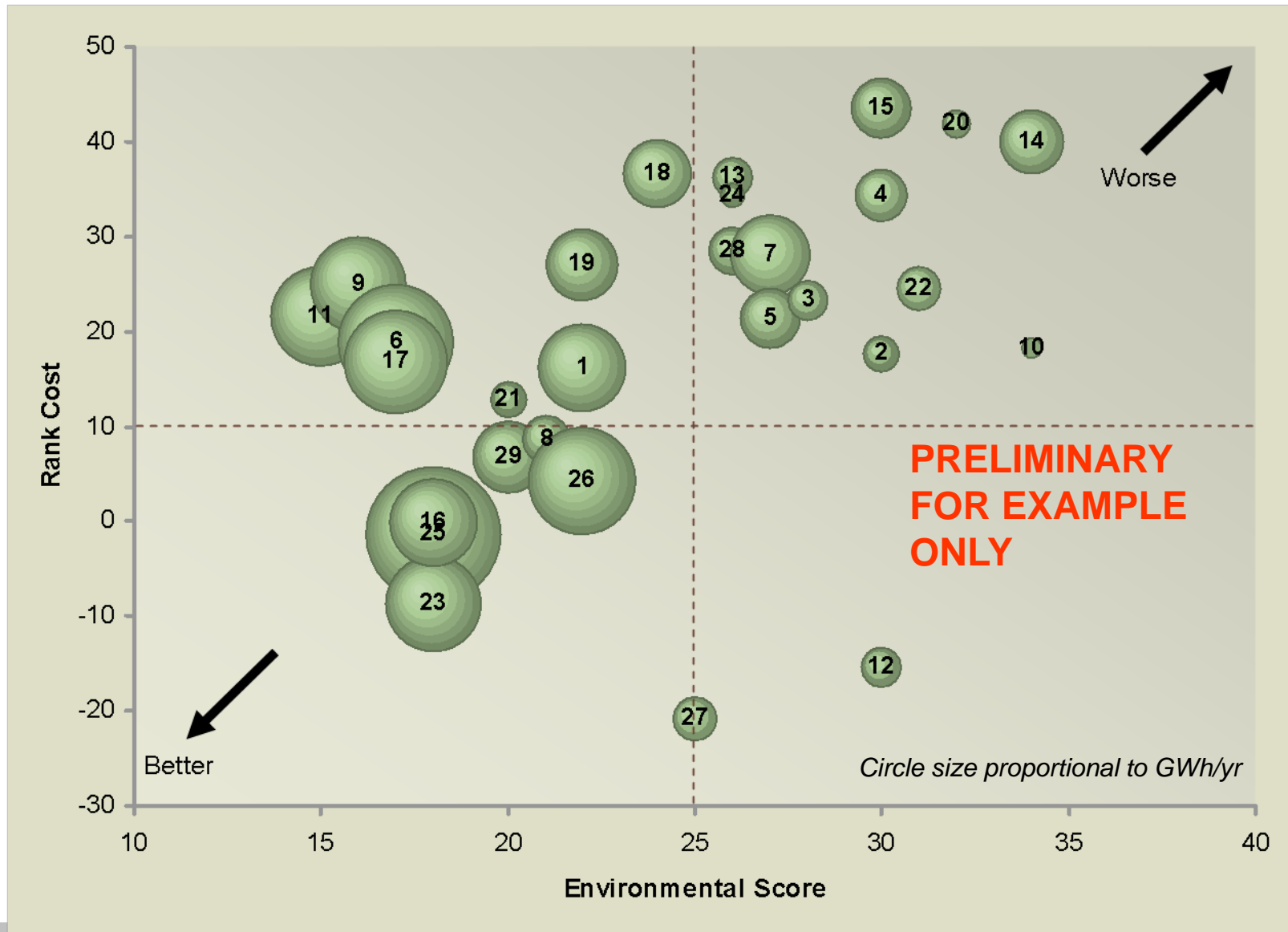
Imperial North Sub-CREZ A



Uncertainty / Sensitivities Will Identify Additional CREZs that are Potentially Viable

- Uncertainty band applied to each technology type
 - Capital Cost
 - Capacity Factor
- Sensitivities
 - Tax Credits
 - Energy Value
 - Capacity Value
 - Lower Solar Costs
 - Geothermal Potential

DRAFT Environmental and Economic Scores



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Thank You!

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